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LB 99

gross receipts bingo tax from a total of 8 percent right now to 3 percent. The reasoning behind this is three-fold. Number one, it's because of, as I said, the cities and the fact that they no longer have anything to do with it. Secondly, it's because of the very, very high rate of taxation, not only nationwide, as far as bingo goes, that we have in Nebraska, but also relative to other types of gaming. We have, for example, keno right now, which is widely prevalent, and which, incidentally, benefits cities, taxed at 2 percent of gross, 2 percent of the gross of keno games goes to the state. Pickle cards, which is also a charitable gaming device, goes to...is taxed an effective rate of about 2.5 percent. So, even with the adoption and/or the passage of LB 99 in the form that I introduced it, and with the committee amendments, bingo would still be taxed at a higher rate than other forms of gambling in the state of Nebraska. Another reason is the fact that you can look at one of the handouts that I passed out that indicates the various charities that run bingo. And the fact is, if you can see it, the handout is entitled "Nebraska Charitable Gaming Activity for Class B Licenses for the Period July 1, 1995 through June 30, 1996", and the fact is that out of 42 bingo licensee's, 28 had losses. And you might ask, why do these organization continue to operate bingo? The fact is a number of them haven't, a number of organizations have closed their bingo games because, primarily, of the confiscatory rate of taxation. The ones that do continue to operate at a slight profit, or even a loss, do so because they're able to take advantage of other forms of fund raising, maybe pickle cards, maybe other types of fund raising that occur at their bingo events. Finally, the fact is since casinos have opened, and you have an article from the World-Herald on your desk, since casinos have opened across the river, particularly this applies to Omaha, there have been dramatic drops in charitable wagering in Nebraska. Primarily these affect the bingo games, although I'm sure pickle cards are affected as well. So what the charities have been faced with is a triple whammy, we have high taxes, we have the advent of keno which takes away money from the charities, while they still are obligated to pay a tax to the cities, which is why I would eliminate that tax, and in addition we have gambling in adjacent states that has taken away some of the activity that takes place at charitable bingo games. Finally, I would want to note that, as I said initially, this is one of the more benign gaming